

# **MARYLAND SMALL BUSINESS DEVELOPMENT FINANCING AUTHORITY**

## **OPEN MEETING MINUTES**

**March 11, 2021**

**The regular meeting of the Maryland Small Business Development Financing Authority convened at 1:00 p.m. via teleconference only at 470-869-2200/meeting ID 428-245-6027 due to the COVID-19 pandemic.**

**The following were in attendance at this meeting:**

<b>Authority Members</b>	<b>MMG Staff</b>
<b>Les Hall</b>	<b>Randy Croxton</b>
<b>Clem Kaikis</b>	<b>Mark Harrison</b>
<b>Gina Ramsey</b>	<b>Tim Smoot</b>
<b>Mara Sierocinski</b>	<b>Mike Howard</b>
	<b>Stanley Tucker</b>
	<b>Anthony Williams</b>
	<b>Robin Harris</b>

**Attorney General's Office**  
Barbara Kountz, Deputy Counsel

## **AGENDA**

### **MINUTES**

February 25, 2021

### **REPORT**

Grant Approval for Closed COVID-19 Round 1 and Round 2 Loans.

### **NEW REQUEST**

Allocated Formula Group, Inc. dba AFG Networks

The closed session of February 25, 2021, meeting was summarized. The Authority Board meeting was attended by Les Hall, Clem Kaikis, Chuck Martin, Gina Ramsey, Mara Sierocinski, and Laura Pasternak. The meeting was closed to comply with requirements of the Maryland Public Information Act so that there would not be disclosure of confidential, commercial, and financial information associated with the applicants. The meeting was closed to discuss the modification requests of Adventures by Dawn, LLC d/b/a Adventure Tours, Adventures by Dawn, LLC d/b/a Adventure Tours (COVID 19), Point of Excellence Beauty Academy, LLC, and the renewal of Flight Fab, Inc. All of the requests were approved.

1. Adventures by Dawn, LLC – Modify lien position on business assets: COVID 19 loan from 2<sup>nd</sup> lien to 4<sup>th</sup> lien and EPIP loan from 3<sup>rd</sup> lien to 5<sup>th</sup> lien
2. Point of Excellence Beauty Academy, LLC – Extend approval of surety bond to April 22, 2021 and modify approval to remove requirement of Maryland Higher Education Commission certification before issuance of surety bond
3. Flight Fab, Inc. – Renew line of credit to September 23, 2021 upon following conditions: (1) 2.5% of extra proceeds from contracts be applied to repayment of the line of credit and permanently reducing the maximum amount of availability under the line of credit; and (2) a full audit valuation of inventory be conducted by an independent third-party CPA with a report due to MSBDFA by April 30, 2021

## MINUTES

February 25, 2021

### Action Taken:

Upon motion duly made and seconded, the Authority unanimously approved the minutes with an amendment.

**MODIFICATION**

**Grant Approval for MSBDFA COVID-19 Emergency Relief Loan Fund  
Round 1 and Round 2 Closed Loans**

**Presenter:** Randy Croxton/Les Hall

**Comments:** **Round #1 Closed 65 loans totaling \$4,760,415, of which:**

1. 37 loans totaling \$1,516,915 are \$50,000 or less and will be converted to grants
2. 28 loans totaling \$3,243,500 are greater than \$50,000, of which \$1,400,000 will be converted to grants (\$50,000 of each loan will be converted to grants)
3. **TOTAL**
  - a. \$2,916,915 will be converted to grants
  - b. \$1,843,500 will remain as modified loans

**Round #2 Closed 60 loans totaling \$4,099,211, of which:**

1. 35 loans totaling \$1,336,335 are \$50,000 or less and will be converted to grants
2. 25 loans totaling \$2,762,876 are greater than \$50,000, of which \$1,145,200 will be converted to grants (\$50,000 of each loan will be converted to grants)
3. **TOTAL**
  - a. \$2,481,535 will be converted to grants
  - b. \$1,617,676 will remain as modified loans

**NOTE:** There are 6 loans pending closing and 2 pair of loans with common ownership not included in the Round #2 report. These loans will be presented for conversion when they are ready for recommendation.


Grant letters will be sent to the approved borrowers via email for the loans of \$50,000 or less. For loans greater than \$50,000, the balance due after the grant and new loan payment will be documented via a modification agreement and sent to each borrower via email for execution.

**Discussion:** There was limited discussion regarding the information presented and next steps.

**Action Taken:** Upon motion duly made and seconded, the Authority unanimously approved the requests as presented. Attached to the minutes is a list of the borrowers and the amounts of the grant conversions and any outstanding balances, as applicable.

The Open Meeting then closed at 1:25 p.m. upon motion made and seconded, and approved by all voting members, the meeting was closed pursuant to General Provisions Article, Section 3-305(b) (13), "to comply with a specific... statutory... requirement that prevents public disclosures about a particular proceeding or matter", that is, the Maryland Public Information Act prohibits disclosure of trade secrets, confidential commercial and confidential financial information. Chairman Les Hall signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit.

**APPROVED:**

  
Celester A. Hall  
Chairman

**DATE:**

4-13-21